

# Work is the Oldest Correctional Program In the World



2001 / 2002  
Annual Report

**Iowa Prison Industries**

420 Watson Powell Jr., Way  
Des Moines, Iowa 50309

Printed by IPI at a cost of \$6.30 per book



**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

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May 10, 2002

W. L. Kautzky, Director  
Department of Corrections  
420 Watson Powell, Jr. Way  
Des Moines, Iowa 50309

RE: Notification of audit for the year ended June 30, 2001

Iowa State Prison Industries is a part of the State of Iowa and, as such, has been included in our audit of the State's Comprehensive Annual Financial Report for the year ended June 30, 2001.

In addition to this report, we also prepare a separate report of recommendations pertaining to each Agency's internal control system, compliance with statutory requirements and other matters when our audit discloses findings that we believe should be brought to your attention. This letter is to inform you that our audit of Iowa State Prison Industries did not disclose any findings which we believe were necessary to report for the year ended June 30, 2001.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa State Prison Industries during the course of our audit. If you have any questions regarding the above information, please contact Steve Nottner at (319) 234-0080.

A handwritten signature in black ink, appearing to read "Richard D. Johnson".

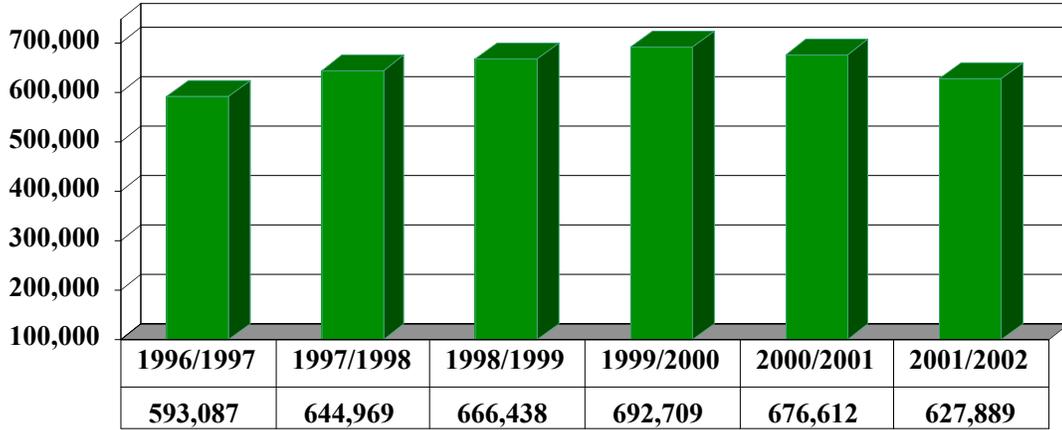
RICHARD D. JOHNSON, CPA  
Auditor of State

cc: Honorable Thomas J. Vilsack, Governor  
Cynthia P. Eisenhauer, Director, Department of Management  
Dennis C. Prouty, Director, Legislative Fiscal Bureau

# Iowa Prison Industries

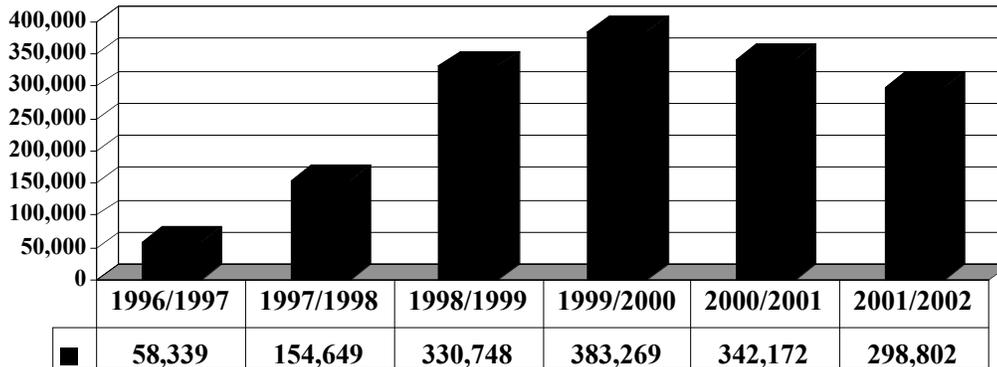
## Inmate Work History

### TRADITIONAL INDUSTRIES HOURS



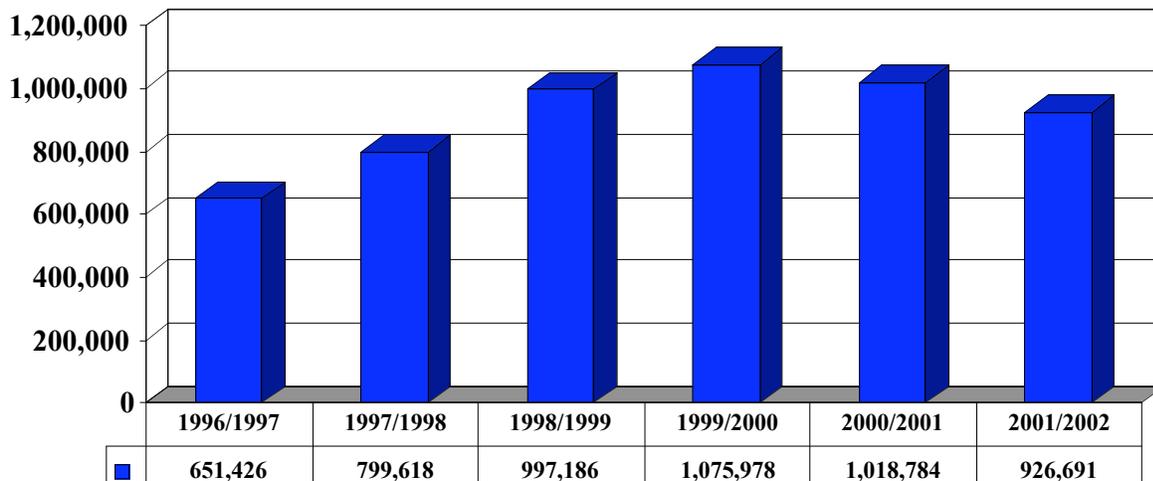
-8%

### PRIVATE SECTOR HOURS



-13%

### TOTAL INMATE WORK HOUR COMPARISON



-10%

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# Letter to the Legislature

We are pleased to provide Iowa Prison Industries (IPI) Annual Report for Fiscal Year 2001-2002. This report is designed to give you a summary of the many activities that IPI is involved in and the degree of successes we have achieved during the past year, of which there are many.

IPI was established by the Legislature many years ago. The intent of the Code was to provide meaningful work for inmates and, at the same time, to reduce the cost of goods and services to state agencies. Many agencies have taken full advantage of this cost savings and inmate rehabilitation program while others have not.

IPI is responsible for the state Traditional Industries and farms. In 1991, the Private Sector and Vocational Education Programs were added to the list of duties. Both were added as a mandate and were to be funded through Traditional Industries.

IPI operates much like any main street business. We are a 100% self-funding operation that depends solely upon the sale of our products to fund staff salaries, pay inmate wages, construct manufacturing facilities, purchase equipment and purchase all raw materials. We do not pay taxes. However, we are limited to sell to non-profit organizations and government entities. No sales to the public are permitted.

This year IPI provided almost 1 million hours of inmate contact in 29 different vocations and, while we experienced our first loss in over 10 years, there were extenuating circumstances due primarily to reduced appropriations to government agencies. On the positive side, IPI/Farms generated a profit for the 5<sup>th</sup> consecutive year and Private Sector inmates paid over \$700,000.00 to the General Fund for room and board which brings the 6-year room and board total to \$3,988,200.00.

The Iowa Prison Industry Program is recognized nationally as progressive and innovative and, as a result of our initiatives, the Bureau of Justice has agreed to fund a two-year recidivism study on Iowa inmates to determine precisely what rehabilitative efforts work in reducing return offenders. The study will be administered by the University of Baltimore and as updates are available, we will make distributions of the data.

We hope that you will find our report interesting and informative and if we may answer any questions or clarify any of the contents, please contact us.

Sincerely,

Roger L. Baysden

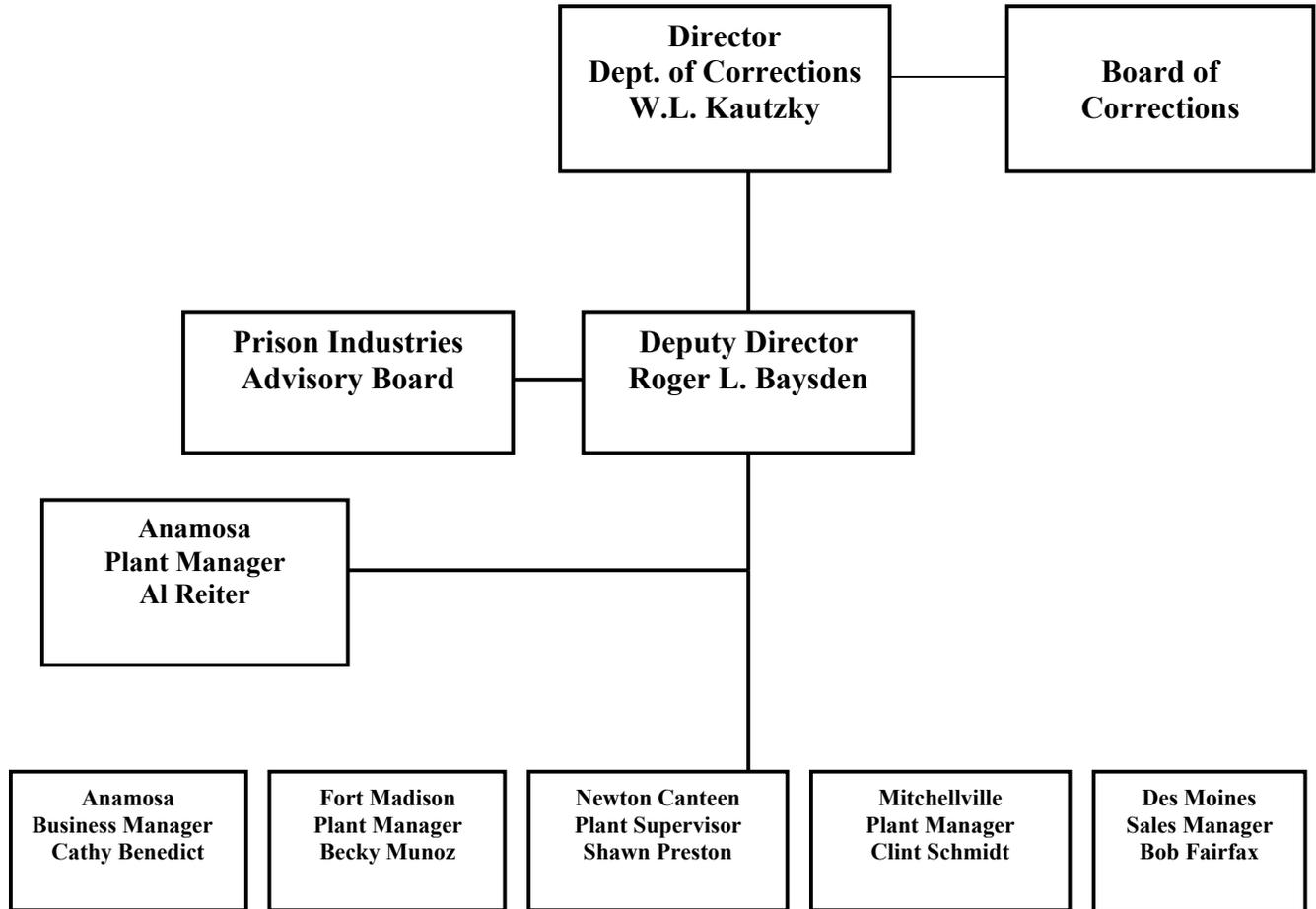
**IOWA PRISON INDUSTRIES (IPI)**

*Is required by Iowa Code to remain 100% self-funding and to remain free from appropriations.*

**DID YOU KNOW:**

- IPI pays all staff salaries, benefits and retirement.
- IPI purchases and pays for all IPI used vehicles.
- IPI purchases and pays for all raw materials used in our manufacturing processes.
- IPI purchases and pays for all computers, office supplies, utilities, phones and other daily expenses.
- IPI pays for the construction and renovations of all IPI buildings.
- IPI customers are limited to tax supported entities.
- IPI operates 30 separate training opportunities, supervised by a staff of 74 highly skilled staff.
- IPI employees and supervises over 400 inmates daily, freeing Correctional Officers to do other needed activities.
- IPI provided over 1,000,000 hours of inmate training during 2002-2003.
- IPI/Private Sector inmates have paid \$3.9 million to the General Fund for room and board since 1996!
- IPI inmates have paid \$2.5 million in taxes since 1996!
- IPI inmates have paid \$1.1 million in restitution since 1996!
- IPI inmates have paid \$570,000 in victim compensation since 1996!
- IPI manages three active farms that have remained profitable since 1996!

# Iowa Prison Industries Organization Chart



<u>Office</u>	<u>Accounting/</u>					
	<u>Anamosa</u>	<u>Purchasing</u>	<u>Ft. Madison</u>	<u>Newton</u>	<u>Mitchellville</u>	<u>Sales</u>
Supervisors	4	0	2	0	1	1
Production Coordinators	6	0	0	0	0	0
Staff	17	9	13	3	8	5
<b>TOTAL</b>	<b>28</b>	<b>10</b>	<b>16</b>	<b>4</b>	<b>10</b>	<b>6</b>
<b>Change</b>	<b>-4</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>

# Iowa Prison Industries

## LEGISLATIVE MANDATES

2002-2003

**Mandate:** The state Prison Industries Board and the Department of Corrections shall continue the implementation of a plan to enhance vocational training opportunities within the correctional institutions listed in Section 904.102, as provided in 1993 Iowa Acts, Chapter 171, Section 12. The plan shall provide for increased vocational training opportunities within the correctional institutions, including the possibility of approving community college credit for inmates working in Prison Industries. The Department of Corrections shall provide a report concerning the implementation of the plan to the co-chairpersons and ranking members of the Joint Appropriations Subcommittee on the Justice System and the Legislative Fiscal Bureau, on or before January 15, 2003.

### **Actions that IPI has taken to ensure compliance:**

We are pleased to report that this year IPI has expanded our inmate vocational jobs to include a Central Canteen Program. Up to 40 new inmate jobs were created as a result of this self-funding venture. Inmates work a full 2080 hours per year and learn valuable skills such as shelf stocking, stock ordering, invoice reconciliation, checking, bagging, logistics of order routing and a host of other activities. To ensure proper training, IPI has added 4 new staff that is funded with non-general fund monies. Staff is responsible for training, on-going management and the creation of additional vocational work opportunities. We anticipate that, in view of the dismal financial position of the state, that opportunities in the service sector will create more inmate jobs than the traditional industries has in the past. For example, we are exploring the possibility of plastic bag making. This offers enormous savings to the state and creates jobs in vocations that do not compete with Iowa industries, yet the skill sets learned are very applicable to many manufacturing processes.

**Mandate:** State agencies shall submit to the Legislative Fiscal Bureau by January 15, 2003, a report of the dollar value of products and services purchased from Iowa State Industries by the state agency during the fiscal year beginning July 1, 2002 and ending June 30, 2002.

**Response:** Iowa Prison Industries advised state agencies and other purchasing entities of their annual purchases from Iowa Prison Industries for the year ending June 30, 2002. A copy of the notice is included for legislative review.

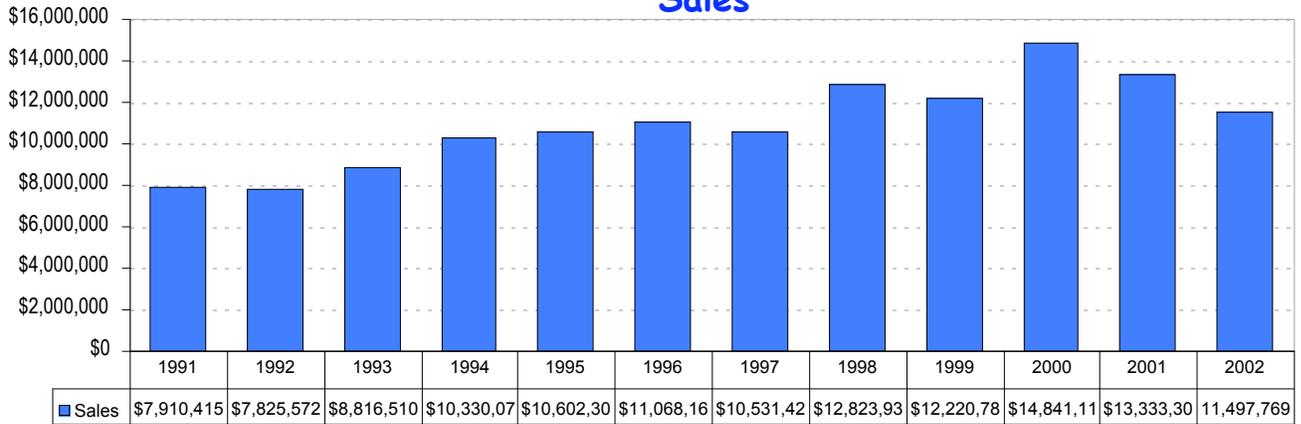
This mandate is obsolete and confusing to most agencies. There is also a need for legislative review of Iowa Code 904.808, State Purchasing Requirement Exceptions. Agencies, in many cases, do not comply with the IPI Code Section which, according to the Department of General Services, is in conflict with DGS Code 18.3, 18.8, and 18.12.

IPI would be pleased to submit recommended changes if the desire is to make changes to the existing code.

# IOWA CORRECTIONS

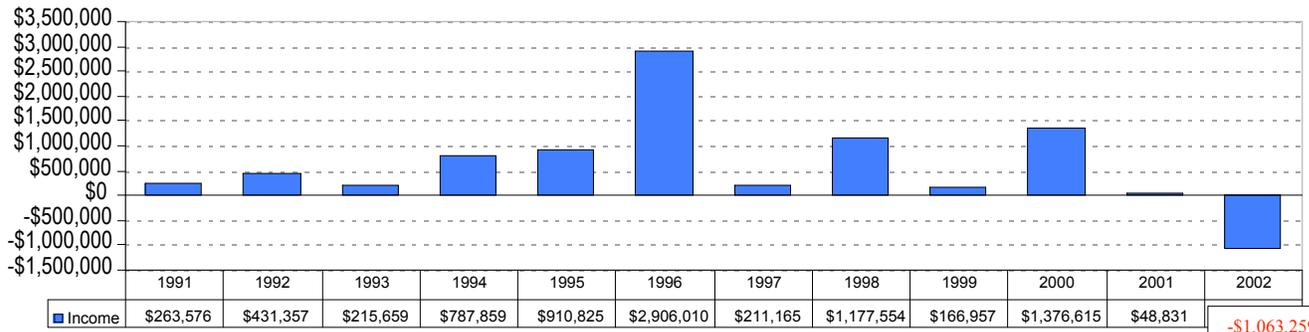
## PRISON INDUSTRIES

Sales

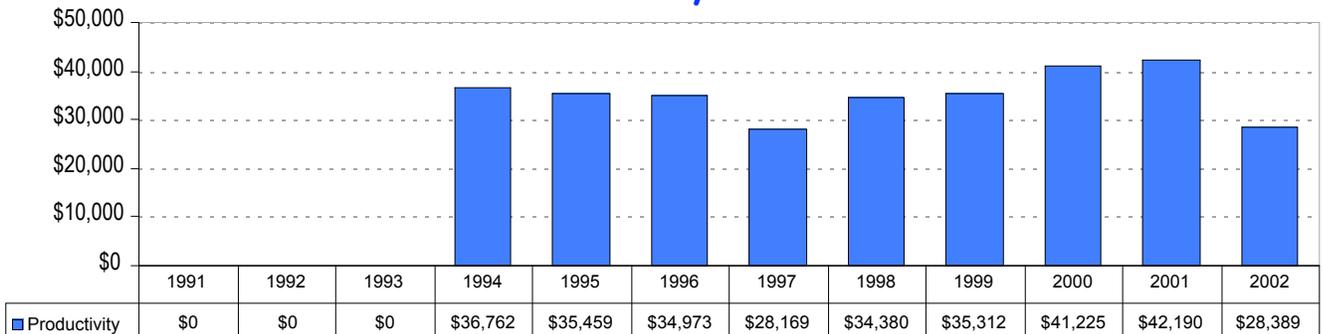


-14%

Sustainable Income



Productivity Per Inmate



### MAJOR PRODUCT LINES AND SERVICES INCLUDE

Traffic Signs

Printing

Braille Transcription

Modular Furniture

Furniture Restoration

Housekeeping

Office Furnishings

Custom Woodwork

Document Imaging

Surplus

Office Relocations

PRISON INDUSTRIES SERVES APPROXIMATELY 6,700 CUSTOMERS  
IN ALL 99 IOWA COUNTIES

# **Mission Statement**

**To Employ Staff And Inmates  
Who Are Dedicated To Providing  
Exceptional Service  
Reasonable Prices  
Quality Products/Services**

**It Is This Commitment To Excellence That  
Will Allow Our Business To Achieve Growth,  
Provide More Jobs For Staff And Inmates  
And Assume National Leadership In  
Correctional Industries.**

**IOWA PRISON INDUSTRIES**

# What is Iowa Prison Industries

**Iowa Prison Industries** is the manufacturing division of the Department of Corrections adult correctional system.

**Iowa Prison Industries** is a supplier of goods and services to State and local government agencies, public educational systems, and not-for-profit organizations that receive tax dollars.

**Iowa Prison Industries** is self-supporting through its revenues from sales. IPI supplies quality products and services to government agencies at competitive prices.

**Iowa Prison Industries** supplies many of the needs of the correctional system (such as furniture, clothing, cleaning supplies, printing and modular panels) reducing the taxpayers' costs for operating the State's prisons.

**Iowa Prison Industries** is a correctional program: industrial production teaches work habits and skills to men and women who typically have no prior meaningful employment experience and who, once released, will need legitimate work. Correctional industries contributes to higher post-release employment success and lowers recidivism (return to prison) rates.

**Iowa Prison Industries** is part and parcel of the management and control of Iowa's ever increasing prison population. IPI represents the primary tool for eliminating idleness, a leading cause of disruptiveness and violence behind prison walls.

**Iowa Prison Industries** is a large-scale purchaser of goods and services, supporting many businesses in small and large communities throughout the State.

**Iowa Prison Industries** replicates outside working world conditions. IPI inmates punch time clocks and are paid hourly wages ranging from \$.40 to \$.90 (depending on the job title and time in grade) with the additional possibility of productivity bonuses. An inmate's work shift is typically seven hours per day, five days per week. In extraordinary circumstances, overtime may be authorized to meet deadlines. Again to replicate outside realities, IPI inmate workers are required either to have a high school diploma or to be making progress toward earning an equivalency diploma.

**Iowa Prison Industries** employs 85 staff workers in various capacities of inmate management.

**Iowa Prison Industries is 100% self-funding.**

## IOWA PRISON INDUSTRIES Code Section

### 904.801 - STATEMENT OF INTENT

It is the intent of this division that there be made available to inmates of the state correctional institutions opportunities for work in meaningful jobs with the following objectives:

1. **To** develop within those inmates willing to accept and persevere in such work:
  - a.* **Positive** attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
  - b.* **Good** work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and
  - c.* **To** the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.
  
2. **To** enable those inmates willing to accept and persevere in such work to:
  - a.* **Provide** or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;
  - b.* **Make** restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;
  - c.* **Make** it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community; and
  - d.* **Accumulate** savings so that such inmates will have funds for necessities upon their eventual return to the community.

## IOWA PRISON INDUSTRIES Code Section

### 904.803 - PRISON INDUSTRY ADVISORY BOARD

1. **There** is established a state prison industries advisory board, consisting of seven members selected as prescribed by this subsection.
  - a.* **Five** members shall be appointed by the governor for terms of four years beginning July 1 of the year of appointment. They shall be chosen as follows:

- (1) One member shall represent agriculture and one member shall represent manufacturing, with particular reference to the roles of their constituencies as potential employers of former inmates of the state's correctional institutions.
  - (2) One member shall represent labor organizations, membership in which may be helpful to former inmates of the state's correctional institutions who seek to train for and obtain gainful employment.
  - (3) One member shall represent agencies, groups and individuals in this state which plan and maintain programs of vocational and technical education oriented to development of marketable skills.
  - (4) One member shall represent the financial industry and be familiar with accounting practices in private industry.
- b.* One member each shall be designated by and shall serve at the pleasure of the state director and the state board of parole, respectively.
- c.* Upon the resignation, death or removal of any member appointed under paragraph "a" of this subsection, the vacancy shall be filled by the governor for the balance of the unexpired term. In making the initial appointments under that paragraph, the governor shall designate two appointees to serve terms of two years and three to serve terms of four years from July 1, 1977.
2. Biennially, the industries board shall organize by election of a chairperson and a vice chairperson, as soon as reasonably possible after the new appointees have been named. Other meetings shall be held at the call of the chairperson or of any three members, as necessary to enable the industries board to discharge its duties. Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties, and those members not state employees shall also be entitled to a per diem as specified in section 7E.6 for each day they are so engaged.
  3. The state director shall provide such administrative and technical assistance as is necessary to enable the industries board to discharge its duties. The industries board shall be provided necessary office and meeting space at the seat of government.

## **IOWA PRISON INDUSTRIES**

### **Code Section**

#### **904.804-DUTIES OF THE BOARD**

The industries board's principal duties shall be to promulgate and adopt rules and to advise the state director regarding the management of Iowa state industries so as to further the intent stated by section 904.801.

#### **904.805-DUTIES OF THE DIRECTOR**

The state director, with the advice of the industries board, shall:

1. ~~☐☐~~ Conduct market studies and consult with public bodies and officers who are listed in section 904.807, and with other potential purchasers, for the purpose of determining items or services needed and design features desired or required by potential purchasers of Iowa state industries products or services.
2. ~~☐☐~~ Receive, investigate and take appropriate action upon any complaints from potential purchasers of Iowa state industries products or services regarding lack of co-operation by Iowa state industries with public bodies and officers who are listed in section 904.807, and with other potential purchasers.
3. ~~☐☐~~ Establish, transfer and close industrial operations as deemed advisable to maximize opportunities for gainful work for inmates and to adjust to actual or potential market demand for particular products or services.
4. ~~☐☐~~ Establish and from time to time adjust, as necessary, levels of allowances paid to inmates working in Iowa state industries.
5. Co-ordinate Iowa state industries, and other opportunities for gainful work available to inmates of adult correctional institutions, with vocational and technical training opportunities and apprenticeship programs, to the greatest extent feasible.
6. Promote, plan, and when deemed advisable, assist in the location of privately owned and operated industrial enterprises on the grounds of adult correctional institutions, pursuant to section 904.809.

## **IOWA PRISON INDUSTRIES**

### **Code Section**

#### **904.808-STATE PURCHASING REQUIREMENTS (Poorly Enforced)**

~~☐☐~~ A product possessing the performance characteristics of a product listed in the price lists prepared pursuant to section 904.807 shall not be purchased by any department or agency of state government from a source other than Iowa state industries, except:

- a. ~~☐☐~~ When the purchase is made under emergency circumstances, which shall be explained in writing by the public body or officer who made or authorized the purchase if the state director so requests; or
  - b. ~~☐☐~~ When the state director releases, in writing, the obligation of the department or agency to purchase the product from Iowa state industries, after determining that Iowa state industries is unable to meet the performance characteristics of the purchase request for the product, and a copy of the release is attached to the request to the director of revenue and finance for payment for a similar product, or when Iowa state industries is unable to furnish needed products, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing department or agency and Iowa state industries regarding similarity of products, or comparability of quality or price, or the availability of the product, shall be referred to the director of the department of general services, whose decision shall be subject to appeal as provided in section 18.7. However, if the purchasing department is the department of general services, any matter which would be referred to the director under this paragraph shall be referred to the executive council in the same manner as if the matter were to be heard by the director of the department of general services. The decision of the executive council is final.
2. The state director shall adopt and update as necessary rules setting specific delivery schedules for each of the products manufactured by Iowa state industries. These delivery schedules shall not apply where a different delivery schedule is specifically negotiated by Iowa state industries and a particular purchaser.

3. ~~A department or agency of the state shall cooperate and enter into agreements, if possible, for the provision of products and services under an inmate work program established by the state director under section 904.703.~~

## IOWA PRISON INDUSTRIES Code Section

### 904.809-PRIVATE SECTOR EMPLOYMENT

The following conditions shall apply to all agreements to provide private industry employment for inmates of correctional institutions:

- a. ~~The~~ state director and the industries board shall comply with the intent of section 904.801.
  - b. ~~An~~ inmate shall not be compelled to take private industry employment.
  - c. ~~In~~mates shall receive allowances commensurate with those wages paid persons in similar jobs outside the correctional institutions. This may include piece rating in which the inmate is paid only for what is produced.
  - d. ~~The~~employment of inmates in private industry shall not displace employed workers, apply to skills, crafts, or trades in which there is a local surplus of labor, or impair existing contracts for employment or services.
  - e. ~~In~~mates employed in private industry shall be eligible for workers' compensation in accordance with section 85.59.
  - f. ~~In~~mates employed in private industry shall not be eligible for unemployment compensation while incarcerated.
  - g. ~~The~~ state director shall implement a system for screening and security of inmates to protect the safety of the public.
2. ~~Any~~ other provision of the Code to the contrary notwithstanding, the state director may, after obtaining the advice of the industries board, lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in section 904.801. ~~Each~~ lease negotiated and concluded under this subsection shall include, and shall be valid only so long as the lessee adheres to, the following provisions:
- (1) ~~Persons~~ working in the factory or other commercial enterprise operated in the leased property, except the lessee's supervisory employees and necessary support personnel approved by the industries board, shall be inmates of the institution where the leased property is located who are approved for such work by the state director and the lessee.
  - (2) ~~The~~ factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.
3. ~~The~~ state director with the advice of the prison industries advisory board may provide an inmate work force to private industry. Under the program inmates will be employees of a private business.

# IOWA PRISON INDUSTRIES

## Code Section

### 904.809-PRIVATE SECTOR EMPLOYMENT (Continued)

4. Private or nonprofit organizations may subcontract with Iowa state industries to perform work in Iowa state industries shops located on the grounds of a state institution. The execution of the subcontract is subject to the following conditions:
  - a. The private employer shall pay to Iowa state industries a per unit price sufficient to fund allowances for inmate workers commensurate with similar jobs outside corrections institutions.
  - b. Iowa state industries shall negotiate a per unit price which takes into account staff supervision and equipment provided by Iowa state industries.
5.
  - a. An inmate of a correctional institution employed pursuant to this section shall surrender to the department of corrections the inmate's total earnings less deductions for federal, state, and local taxes, and any other payroll deductions required by law.
  - b. From the inmate's gross payroll earnings, the following amounts shall be deducted:
    - (1) Twenty percent, to be deposited in the inmate's general account.
    - (2) All required tax deductions, to be collected by the inmate's employer.
    - (3) Five percent, to be deducted for the victim compensation fund created in section 915.94.
  - c. From the balance remaining after deduction of the amounts under paragraph "b", the following amounts shall be deducted in the following order of priority:
    - (1) An amount which the inmate may be legally obligated to pay for the support of the inmate's dependents, which shall be paid through the department of human services collection services center, and which shall include an amount for delinquent child support not to exceed fifty percent of net earnings.
    - (2) Restitution as ordered by the court under chapter 910.
    - (3) Any balance remaining after the deductions made under subparagraphs (1) and (2) shall represent the costs of the inmate's incarceration and shall be deposited, effective July 1, 2000, in the general fund of the state.
  - d. If the amount credited to the inmate's general account, the department shall deduct an amount representing any other legal or administrative financial obligations of the inmate.

The inmate's employer shall provide each employed inmate with the withholding statement required under section 422.16, and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.

# Benefits of Inmate Work

Iowa Prison Industries is a correctional program designed to serve four inter-related public purposes:

**NEWS ALERT:** The United State Bureau of Justice has awarded six states funding to conduct an extended Recidivism Study. Iowa is one of the six. The study will begin in January, 2003, and is intended to determine the actual impact of work training on inmates. We are anxious to get underway and look forward to including the findings in our next two Annual Reports.

1. **Reduce taxpayers' costs** for operating the State's prison system and other public operations. This is done directly, by supplying goods and services to the State prisons. Inmates manufacture beds, clothing, and a great many necessary items that would otherwise be purchased with taxpayer dollars from outside sources. Inmates also supply goods and services required by other public entities such as schools, psychiatric hospitals, and government offices.
2. **Reduce disruption and violence** by providing prisoners with productive activity. This function serves the ends of control and security but also has economic implications for the taxpayers. The industrial programs are 100 percent self-funding.
3. **Provide job training within traditional industries and the private sector** to inmates who someday will be released back into society. This is not only a humane obligation of society, but it also saves tax dollars: a man or woman able to earn a living through legal means is less likely to commit future crimes and be returned to prison. Every man or woman who is released and does not return to prison saves approximately \$20,000 per year in prison operating costs and many times more in costs of police and court time, property damage, medical expenses for victims, welfare payments to victims and their dependents, and public assistance when society must maintain the inmate's family while feeding the clothing the inmate in prison.
4. **Satisfy citizen's expectations** and demands that service of a prison sentence should *include a provision for work rather than indulgence in idleness.*

# Programmatic Benefits of Correctional Industries

In addition to saving taxpayer dollars directly by supplying many needs of the Department of Correctional Services and other public agencies, IPI also shares two virtues with other forms of traditional inmate programming such as academic and vocational education: like them, industrial production (1) contributes to institution control and security and (2) helps to prepare inmates to obtain lawful employment upon release from prison. These functions also have economic implications for the State's taxpayers.

Good security is impossible without good programs. Good programs include education and recreation but most of all, work. Corrections officials know that a necessary element of work is that it be to a purpose: "make-work" is a contradiction and inmates know that as well as anyone else. Inmates will crush rocks if the result is paving material but the result of crushing for the sake of crushing is likely to be resentment and resistance.

Industrial production is a legitimate use of inmates' time and talents. The business aspect of Prison Industries minimizes featherbedding, imposes deadlines, and assures that quality goes into work, all of which mean, to the worker, that what he or she does matter and is important.

According to a study by the Hindelang Criminal Justice Research Center of the State University of New York at Albany,

*“. . . the analysis of the effect of prison industry participation on institutional behavior found a consistent pattern of lower rates of involvement in officially-recorded disciplinary violations among industry employed inmates. These findings were maintained after other adjustment-relevant characteristics of the inmate were taken into account in the analysis, and were reflected among low, medium, and high infraction risk inmates.”*

## Combating recidivism

Too many inmates commit new crimes after they are released and are then sent back to prison with new sentences. This is costly. Every released inmate who functions productively in society is an asset not a debit, to Iowa tax payers.

A well administered correctional industries program reduces recidivism. The correctional industries program provides job training and work experience to inmates, many of who have no meaningful work history prior to incarceration. Supplemented by academic, vocational, and substance abuse treatment programs, productive work at a correctional industry assignment enables inmates to obtain productive employment after their return to their communities. Equipped for the first time with the ability to survive through legal means, it is common sense to think that they will be less likely to resort to criminal activities.

According to Federal Bureau of Prisons studies, every correctional industries program is effective in combating recidivism, i.e., that inmate participants return to prison at lower rates than non-participants.

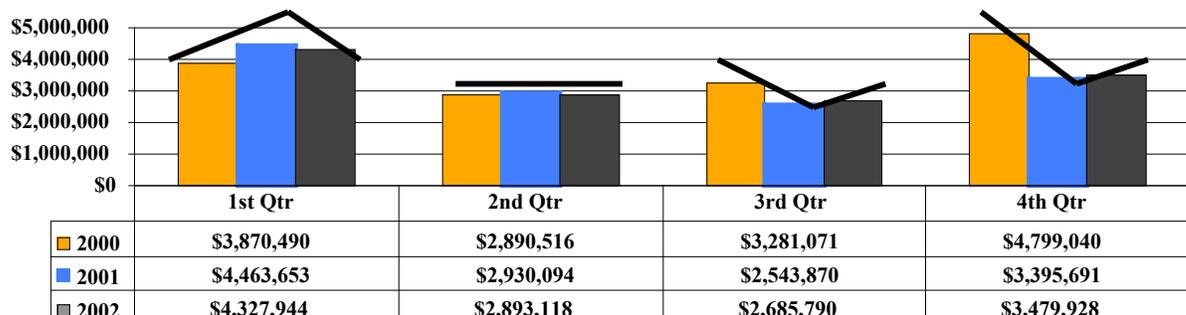
# Iowa Prison Industries Advisory Board

<i>Name</i>	<i>Professional Organization</i>	<i>Year of Rotation</i>
Mildred Slater	AFL/CIO-Labor Representative	2005
Michael Peters	Voc-Tech Education Representative	2003
Angela Fox	Agricultural Representative	2005
Dr. A. Douglas Hillman	Financial Representative	2003
Curtis Jenkins	Parole Board Representative	2005
McKenzly Wilson	Manufacturing Representative	2003

# Iowa Prison Industries FY'02 Financial Statement Summary

	SALES		CHANGE	
	FY 2001-2002	FY 2000-2001	Amount	Percent
<b>Anamosa</b>				
Metal Stamping	\$821,877	\$1,008,700	(\$186,823)	-19%
Sign	2,339,743	2,095,103	244,641	12%
Graphic Arts	772,425	883,243	(110,818)	-13%
Housekeeping/Laundry	1,444,905	1,342,743	102,162	8%
Metal Furniture	1,143,452	1,865,165	(721,712)	-39%
Custom Wood	245,640	138,878	106,762	77%
<b>Anamosa Total</b>	<b>\$6,768,043</b>	<b>\$7,333,831</b>	<b>(\$565,788)</b>	<b>-8%</b>
<b>Fort Madison</b>				
Furniture	\$2,345,901	\$2,871,748	(\$525,847)	-18%
Textile	677,219	716,986	(39,767)	-6%
Tourism/Call Center	218,582	259,637	(41,054)	-16%
Dry cleaning	24,807	28,602	(3,796)	-13%
<b>Fort Madison Total</b>	<b>\$3,266,510</b>	<b>\$3,876,974</b>	<b>(\$610,464)</b>	<b>-16%</b>
<b>Mitchellville</b>				
MV Panels and Seating	\$725,119	\$1,285,276	(\$560,157)	-44%
Mitchellville Printing	316,430	391,450	(65,021)	-17%
CD Rom	74,807	76,787	(1,980)	-3%
Surplus Property	163,675	201,804	(38,129)	-19%
Moving and Installation	173,186	167,188	5,999	4%
<b>Mitchellville Total</b>	<b>\$1,463,216</b>	<b>\$2,122,504</b>	<b>(\$659,288)</b>	<b>-31%</b>
<b>Canteen</b>	<b>\$1,889,012</b>	<b>\$0</b>	<b>\$1,889,012</b>	
<b>Canteen new Industry in 2002.</b>				
<b>Subtotal</b>	<b>\$13,386,781</b>	<b>\$13,333,308</b>	<b>\$53,472</b>	<b>0%</b>

Iowa Prison Industries Quarterly Sales 24 Month Comparison



# Iowa Prison Industries

## Board of Regents Customers

### Universities/Colleges

University/College	FY'01 Sales Ranking	FY98-99 Purchases	FY99-00 Purchases	FY00-01 Purchases	FY01-02 Purchases
Iowa State	1	\$206,503	\$1,650,797	\$1,950,479	\$2,120,690
Northern Iowa	2	\$5,711	\$13,669	\$61,464	\$22,454
University of Iowa	3	\$209,314	\$103,578	\$34,550	\$100,381

#### SUCSESSES:

- Iowa State University is now the largest customer that Iowa Prison Industries has. Just five (5) years ago, they were our 114<sup>th</sup> largest customer! This is a tribute to their excellent cooperation, team management and willingness to provide Iowa Prison Industries sufficient lead-time to build quality products. During the past five (5) years, Iowa Prison Industries has constructed over 42,000 high quality pieces of furniture that has resulted in over \$1,000,000 in university savings.
- University of Iowa came on board in 2002.

#### GOALS:

- Secure University of Northern Iowa as a furniture customer.
- Build prototypes to their standards and then secure orders for production and delivery.

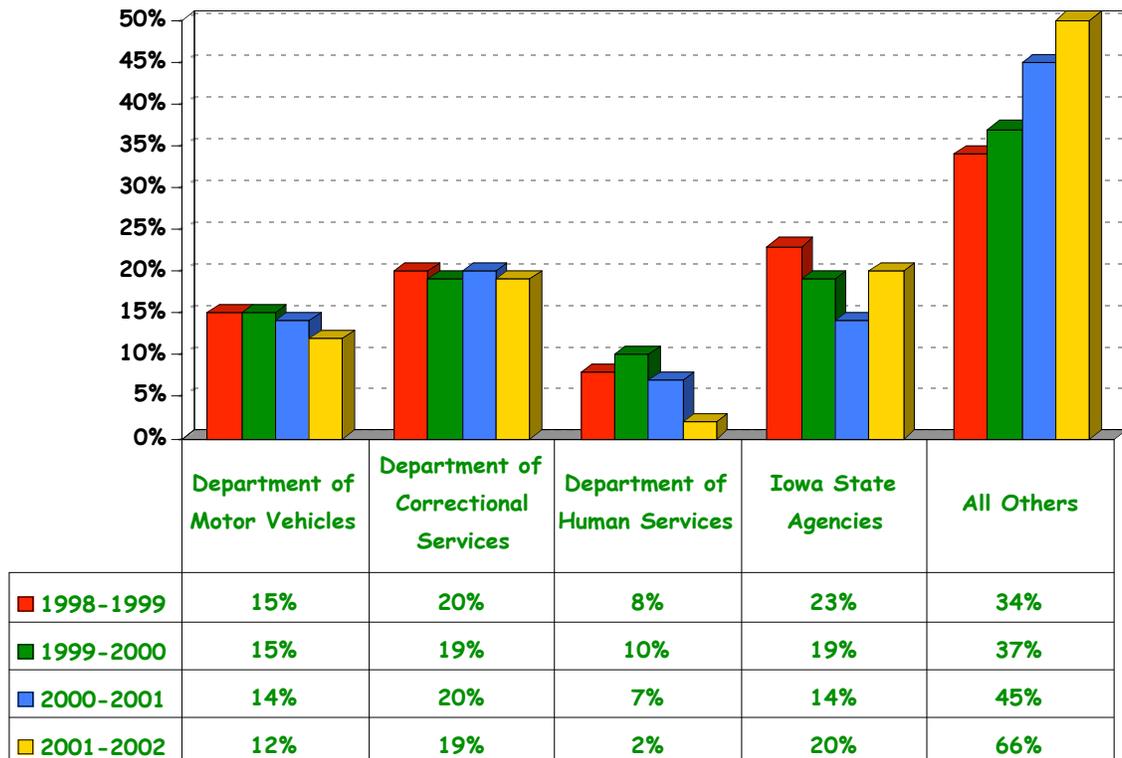
#### EFFORTS:

- For the past three (3) years, Iowa Prison Industry has tried diligently to secure the University of Northern Iowa dorm business.
- Iowa Prison Industries has and will continue to canvas the education arena in 2003 and the years ahead. They represent the greatest opportunity for Iowa Prison Industries to ensure that offenders have work skills that will enable them to find work upon release.
- This year the Des Moines schools used Iowa Prison Industries for the furnishing of four (4) schools and have committed to more in 2003.

# Iowa Prison Industries

## Customers

Key Customers as a % of Total IPI



### Monthly Traditional Sales

	FY2001-2002 Sales (\$)	FY2001-2002 % Yearly Sales	FY2000-2001 Sales (\$)	FY2000-2001 % Yearly Sales
July	\$1,459,069.00	12.5%	\$1,277,159.00	9.5%
August	\$1,679,999.00	14.4%	\$2,021,657.00	15.6%
September	\$973,162.00	8.3%	\$1,164,838.00	8.7%
October	\$734,130.00	6.4%	\$934,258.00	7.0%
November	\$939,236.00	8.0%	\$1,130,693.00	8.4%
December	\$766,952.00	6.6%	\$865,143.00	6.5%
January	\$736,246.00	6.3%	\$1,049,909.00	7.8%
February	\$761,492.00	6.5%	\$754,305.00	5.6%
March	\$718,891.00	6.2%	\$739,657.00	5.5%
April	\$908,026.00	7.8%	\$865,646.00	6.5%
May	\$750,958.00	6.4%	\$937,546.00	7.0%
June	\$1,231,969.00	10.6%	\$1,592,501.00	11.9%
<b>TOTAL</b>	<b>\$11,660,130.00</b>	<b>100%</b>	<b>\$13,333,311.00</b>	<b>100%</b>

# Iowa Prison Industries

## Private Sector Programs

### Background

#### PRIVATE SECTOR WORK PROGRAMS OPERATE UNDER THE JURISDICTION OF THE JUSTICE DEPARTMENT AND THE PRISON INDUSTRIES ENHANCEMENT ACT OF 1984, (98-473)

There are forty-one (41) certificates in the United States. At the present time, only one certificate can be held in each state. Inmates may work inside of the prison or outside at the companies work location. Currently in Iowa, we have three companies that employ inmates off prison grounds.

Nationally, there are approximately 4,184 inmates working in private sector jobs and earning a regular wage. California currently employs 497, South Carolina 621, Nevada 284, Minnesota 193 and Nebraska 152. Iowa ended the year with 151 jobs.

The requirements for a company to employ inmates are rigorous and no short cuts can be taken to start up a business. First the company must submit an application to use inmates. This application must include why they wish to use inmates and what exhaustive measures they have taken to hire "free world" workers. A copy of the application and job descriptions are sent to the Work Force of Iowa, where a wage study is conducted and a report is prepared detailing the number of jobs the prospective company presently has.

This becomes a valuable measuring tool on the anniversary of the private company.

A second work study is conducted to ensure no "free world" workers have been displaced. Additionally, the Department of Justice conducts audits at random to ensure certificate holders are in compliance with all requirements.

Upon receiving the wage study, a copy of that application and wage study is mailed to the Department of Justice for approval to start the program. Additionally, community meetings are held with local police, community leaders and a copy of the notice goes to labor.

Lastly, the private sector company must undergo considerable security training before being allowed to start the business. The Warden's staff post job descriptions and inmates may apply for work. Once inmates have been cleared to work, the private sector company enters into an interviewing process and selects the inmates they wish to employ.

# Private Sector Programs (con't)

## Additional Requirements of Prison Industries Enhancement:

- ❖ Inmate work must be voluntary.
- ❖ Wages paid must be comparable to "local market" workers.
- ❖ Inmate workers cannot displace existing workers
- ❖ Inmates must be covered under workman's compensation.
- ❖ Inmates ARE NOT eligible for unemployment compensation.
- ❖ The Department of Corrections must submit quarterly reports detailing inmate distribution.

## Inmate Income Distribution (Iowa Code 904.801):

- ❖ 20% taxes
- ❖ 20% Inmate Account
- ❖ 20% Restitution
- ❖ 5% Victim's Compensation
- ❖ Undetermined Amount for child support
- ❖ Undetermined Amount for court ordered deductions
- ❖ Balance to incarceration costs

WHEN THESE STANDARDS HAVE BEEN MET  
A COMPANY MAY EMPLOY INMATE LABOR

# Private Sector Companies (con't)

As of August 2002, our Private Sector Companies were:

<u>COMPANY</u>	<u>INMATE EMPLOYEES</u>	
Calhoun Co. Ind., Rockwell City	0	Closed 2002
Clark Industries, Mt. Pleasant	0	Closed 2002
Dee Zee, Mitchellville	16	
Diamond Crystal Foods, Mitchellville	0	Closed 2002
H & H Trailer, Clarinda	52	
Hawkeye Glove, Ft. Dodge	9	
Heartland Comm., Rockwell City	13	
Majestic Truck Service, Altoona	4	
Midland Plastics, Newton	9	
Misty Harbor, Ft. Dodge and Rockwell City	22	
New Horizons, Ft. Dodge	0	Closed 2002
Rock Communications, Newton	20	
Sawmill Valley, Ft. Dodge	0	Closed 2002
Sully Truck Wash, Inc., Sully	6	
Warren Foods, Mitchellville	0	Closed 2002

**TOTAL**

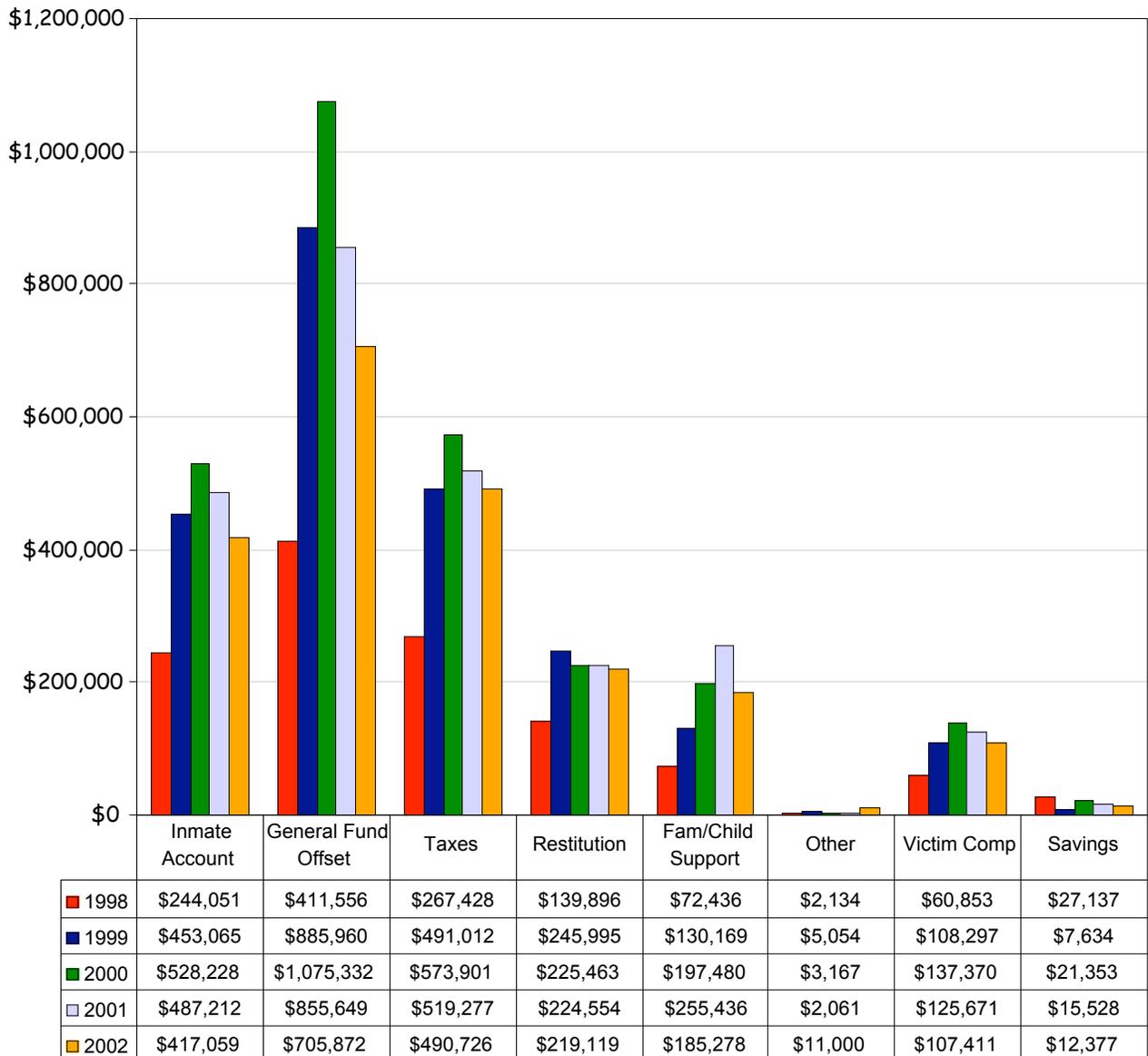
**151 Inmates**

## OCCUPATIONS OF IOWA INMATE WORKERS

Assemblers and Fabricators  
Automotive Body and Related Repairers  
Bus and Truck Mechanics and Diesel Engine Specialists  
Coating, Painting, and Spraying Machine Operators and Tenders  
Data-Entry Keyers, Except Composing  
Drilling and Boring Machine Tool Operators, Metal and Plastic  
Freight, Stock, and Material Movers, All Others  
Helpers, Laborers and Material movers, All Other  
Janitors and Cleaners  
Lathe and Turning Machine Tool Operators, Metal and Plastic

# Private Sector Programs

## FY'98-02 Private Sector Wage Distribution



**FY'98 Total Deductions = \$ 1,225,491.00**

**FY'99 Total Deductions = \$ 2,327,186.00**

**FY'00 Total Deductions = \$ 2,762,989.00**

**FY'01 Deductions = \$ 2,514,808.00**

**FY'02 Deductions = \$ 2,149,074.00**

**100% of inmate wages are redistributed. Iowa Prison Industries keeps no revenue from Private Sector. The General Fund is the big winner.**

# Benchmarks

Iowa Prison Industries  
Division of Department of Corrections  
213 E. 7<sup>th</sup>  
Des Moines, Iowa 50319

Mr. Robert Mesecher,

I am writing to graciously thank you and your workforce for my new office furniture. When first approached about getting rid of my "old standby" desk, I was hesitant. I had seen this furniture in our school office, as it was the first to make the change over. I liked it, but thought it may be too big for my room.

Wow, was I wrong! It fits perfect in here. I love the storage space over the desk helps hide my clutter! I have gotten many compliments from colleges and students' stating how much nicer my room looks. I concur!

I also want to commend you on your staff. The men who worked on my room, along with the ones who were here this summer, were very professional and polite. They worked diligently and the projects got done in a timely manner. Others in the labor and service field could learn from your crew of workers.

Again, thank you for providing me with a wonderful workspace. Should I be asked, I will highly recommend Prison Industries as a company with great workers and a great product.

Sincerely,



Stephanie Zuehlke  
Orchard Place Campus School

**“The men who worked on my room along with the ones who were here this summer, were very professional and polite.**

**Stephanie Zuehlke  
Orchard Place Campus**

**I would to take this opportunity to express our sincere gratitude for this complimentary work.**  
**Warren R. Madden**  
**Vice President for Business and Finance**

IOWA STATE UNIVERSITY  
OF SCIENCE AND TECHNOLOGY

Office of the Vice President  
for Business and Finance  
1350 Beardshear Hall  
Ames, Iowa 50011-2038  
515 294-6162  
FAX 515 294-1621

January 10, 2002

Roger L. Baysden  
Director of Industries  
Iowa Prison Industries  
420 Watson Powell, Jr. Way  
Des Moines, Iowa 50309

Dear Mr. Baysden:

We are in receipt of the benches that have recently been refinished for Beardshear Hall. I would like to take this opportunity to express our sincere gratitude for this complimentary work. They look very nice and we have received many nice comments. They have all been strategically placed throughout the building and will be utilized by many individuals.

Thank you again for this kind and thoughtful gesture.

Sincerely,



Warren R. Madden  
Vice President for Business and Finance

# Benchmarks



Office of the Superintendent

September 17, 2002

The Honorable Thomas Vilsack  
Governor of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Governor Vilsack:

As the Des Moines Public Schools utilizes local option sales tax funds to renovate and rebuild schools all over this district, students are being moved out of their home schools for one year to a "swing" school. When the schools are reopened a year later, students and staff, as much as possible, find new school furniture that also was overdue for replacement.

I mention these efforts because this past summer Iowa Prison Industries was instrumental to both. Prisoners did an excellent job of packing and moving Callanan Middle School's equipment, supplies, and furniture. They were dependable and careful and allowed the district to conserve public funds.

In August, three elementary schools were reopened, provided with new furniture from Prison Industries. Again, the quality is excellent, prices are competitive, and the service was superior. This also allowed us to keep taxpayers' dollars within the state.

Our experience with IPI has been so good that we plan to continue to work with them throughout the remainder of the ten-year reconstruction plan.

Sincerely,

A handwritten signature in black ink that reads "Eric Witherspoon". The signature is written in a cursive, flowing style.

Eric Witherspoon, Ph.D.  
Superintendent

EAW:dp

cc: Roger Baysden

**“This also allowed us to keep taxpayers’ dollars within the state.  
Our experience with IPI has been so good that we plan to continue to work  
with them throughout the remainder of the ten-year reconstruction plan.**

**Eric Witherspoon, PH.D.  
Superintendent**

## **IPI/FARMS 2002**

Iowa Prison Farms are self-funding and operate without General Fund support. Additionally, as a state- owned operation, we do not qualify for federal offset funds that are available to main street farmers. In spite of these hurdles, IPI/Farms will make a profit for 2002.

Surrounding states have failed to manage their farm operations as effective as Iowa. Missouri, Minnesota and South Dakota have closed their operations because of continual cash infusions by the legislature. Since 1996, IPI/Farms has operated on a Business Model. The Business Model challenged our staff to embrace "for profit farming". This required a major change in how prison farms were operated. As staff retired, we replaced them sparingly. This directional change has allowed IPI/Farms to excel and to expand our inmate worked farms while other states have failed.

Since 1999, IPI/Farms has realized over a \$600,000.00 gain in new assets. We believe this is a remarkable accomplishment for any farm operation, especially a cash program.

At IPI/Farms, if we cannot pay cash for something we don't purchase. This approach has instilled discipline and, on the down side, has slowed our goal expansion somewhat. We purchase our equipment, construct our buildings, barns, grain bins, and maintain approximately 1 1/2 miles of river dike as well as over 50 miles of fence line. We do this with a staff of 5 people and between 150 and 180 inmates working a full forty-hour week.

IPI/Farms maintain farm staff and inmate workers year round:

**Fort Madison** actually has two farms (Farm # 1 and Farm # 3, there is no Farm # 2) they are located approximately 12 miles apart. Each has an inmate housing unit on site from which we draw our inmate workers. At Farm # 3, we work cooperatively with the Department of Natural Resources where 40-60 inmates are employed, planting and maintaining a tree farm. Additionally, inmates herd cattle, maintain row crops, cultivate 100 acres of garden space and work in the Greenhouse Operations.

**Anamosa** has three locations of farm ground, all relatively close to each other. We employ inmates to herd cattle, which are butchered and sold to the prison for inmate consumption. Additionally, we maintain row crops of corn, beans and hay as well as an extensive garden.

**Newton Farms:** This is our single largest continuous farm operation. It was reopened in 2002 and will become fully operational this year. Newton was closed in 1994 prior to initiating construction on the new prison. Closing a farm before construction is common practice for safety reasons. However, it is costly to open and close farms.

**Mitchellville** will be our next farm to change from rented ground to state operated. This will likely occur in 2004. Our plans call for the 100 plus acres to be used for row crops only. Staff from the Newton Farm will plant in the spring and harvest in the fall.

IPI/Farms maintains 7,343 acres of land of which 2,612 acres is rented. This rented ground will decrease with the expansion of Newton and the anticipated opening of Mitchellville.

## *IPI/FARMS 2002* (continued)

### STATISTICS:

- IPI/Farms has increased inmate jobs from 15 in 1996 to 154 in 2002.
- IPI/Farms has increased inmate work hours on farms from 31,000 hours in 1996 to 203,280 hours in 2002.
- IPI/Farms projects 230,000 inmate work hours in 2003-2004.
- IPI/Farms date back to 1870, with the opening of Fort Madison.
- In 1990, prison farms were transferred from DHS and Corrections to IPI for management.
- In 1997, ISU Extension Office partnered with IPI to develop a 5-year business plan.
- In 1997, IPI/Farms presented a Restructured Vision of Farms to the legislature that included expanded gardens, and aggressive expansion of row crop operations to the extent that they could be cash funded. Also, opening a livestock program that encouraged prison purchase for inmate consumption and a vocational program to address butchering.
- 2002, the Newton Farm was reopened.
- 2002, as a result of the newly introduced "Harkin Farm Bill", IPI has worked closely with county and federal officials to ensure IPI/Farms is positioned for growth.
- 2002, all IPI/Farms have been reclassified on county rolls as "IPI/FARMS, a State-owned operation.
- Crop prices have not kept pace with farm operating costs, (see enclosed farm prices received).

# IOWA PRISON INDUSTRIES

## Code Section

### 904.706-REVOLVING FARM FUND

A revolving farm fund is created in the state treasury in which the department shall deposit receipts from agricultural products, nursery stock, agricultural land rentals, and the sale of livestock. However, before any agricultural operation is phased out, the department which proposes to discontinue this operation shall notify the governor, chairpersons and ranking members of the house and senate appropriations committees, and cochairpersons and ranking members of the subcommittee in the senate and house of representatives which has handled the appropriation for this department in the past session of the general assembly. Before the department sells farmland under the control of the department, the director shall notify the governor, chairpersons and ranking members of the house and senate appropriations committees, and cochairpersons and ranking members of the joint appropriations subcommittee that handled the appropriation for the department during the past session of the general assembly. The department may pay from the fund for the operation, maintenance, and improvement of farms and agricultural or nursery property under the control of the department. A purchase order for five thousand dollars or less payable from the fund is exempt from the general purchasing requirements of chapter 18. Notwithstanding section 8.33, unencumbered or unobligated receipts in the revolving farm fund at the end of a fiscal year shall not revert to the general fund of the state.

Notwithstanding section 8.36, the department shall annually prepare a financial statement covering the previous calendar year to provide for an accounting of the funds in the revolving farm fund. The financial statement shall be filed with the Legislative Fiscal Bureau on or before February 1 each year.

As used in this section, "department" means the Iowa Department of Corrections and the Iowa Department of Human Services.

The farm operations administrator appointed under section 904.302 shall perform the functions described under section 904.302 for agricultural operations on property of the Iowa Department of Human Services.

The Iowa Department of Human Services shall enter into an agreement under chapter 28D with the Iowa Department of Corrections to implement this section.

# Crops: Prices Received by Farmers - Iowa

Year and Month	Corn	Oats	Soybeans	Wheat	All Hay	Alfalfa	Other Hay
Dollars per bushel					Dollars per ton		
Market Year Average <sup>1</sup>							
1982	2.69	1.59	5.85	3.30	\$53.50	*	*
1983	3.12	1.80	7.78	3.40	\$72.00	*	*
1984	2.51	1.78	5.67	3.26	\$61.50	*	*
1985	2.02	1.27	4.99	2.95	\$46.50	*	*
1986	1.41	1.17	4.73	2.30	\$40.50	*	*
1987	1.89	1.68	5.97	2.75	\$43.00	*	*
1988	2.45	2.85	7.33	3.82	\$75.00	*	*
1989	2.29	1.51	5.62	3.80	\$80.50	\$84.00	\$63.00
1990	2.21	1.14	5.63	2.74	\$63.50	\$66.00	\$49.50
1991	2.30	1.23	5.51	2.40	\$62.00	\$63.50	\$47.00
1992	2.00	1.38	5.54	3.05	\$78.00	\$81.00	\$57.00
1993	2.44	1.45	6.34	2.00	\$90.50	\$94.50	\$65.50
1994	2.22	1.30	5.43	3.15	\$79.00	\$82.00	\$56.30
1995	3.20	1.76	6.65	4.05	\$81.00	\$84.50	\$58.50
1996	2.60	2.10	6.80	4.10	\$95.50	\$99.00	\$70.00

1 Corn prices decreased 9¢ per bushel between 1982 and 1996.

2 DOC Farms, for the first time, may be eligible under the new farm bill, thanks to DOM and the Governor's Office.

# BALANCE SHEET AS OF DECEMBER 31, 2001

## ASSETS

### Current Assets - Checking/Savings

Cash per State Comptroller	\$857,030.08
Accounts Receivable	13,940.68
Chemicals, Seeds, Other - Inv.	50.73
Grains/Feed-inventory	137,569.01
Livestock Inventory	<u>199,169.66</u>

**TOTAL CURRENT ASSETS** **\$1,207,760.16**

### Fixed Assets

Automobile/Trucks	
Accumulated Depreciation	- 33,830.00
Original Cost	<u>81,297.81</u>

**TOTAL AUTOMOBILES/TRUCKS** **\$47,467.81**

### Farm Buildings

Accumulated Depreciation	-346,229.36
Original Cost	<u>586,375.33</u>

**TOTAL FARM BUILDINGS** **\$240,145.97**

### Machinery/Equipment/Purchase Breeding Stock

Accumulated Depreciation	-374,904.15
Original Cost	<u>612,992.93</u>

**TOTAL MACH/EQUIP/BREEDING STOCK** **\$238,088.78**

**TOTAL FIXED ASSETS** **\$525,702.56**

### Other Assets

Due from State Vehicle Dispatcher	58,739.57
Land	430,203.25
Lease Receivable	6,307.00
Prepaid Expenses	15,401.20

**TOTAL OTHER ASSETS** **\$510,651.03**

**TOTAL ASSETS** **\$2,244,113.75**

## LIABILITIES & EQUITY

Accounts Payable	\$38,548.49
Deferred Revenue	<u>57,269.67</u>
TOTAL CURRENT LIABILITIES	\$95,818.16

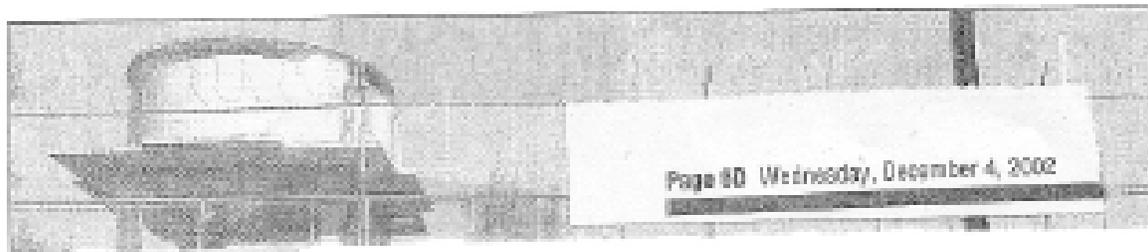
### Long Term Liabilities

Accrued Sick Leave Term/Ret. Pay	2,153.00
Accrued Vacations Payable	23,308.11
John Deere Credit	<u>11,766.51</u>

**TOTAL LIABILITIES** **\$133,045.78**

**OTHER BALANCE SHEET GOES HERE**





**Prison Industries faces stiff Competition from foreign countries as well as states neighboring Iowa.**

Iowa Prison Industries faces stiff competition from foreign countries, competing for U.S. business! We also face stiff competition from state like Minnesota, Colorado, Mississippi and Florida. All have code language that allows prison industries to manufacture furniture and other products for private business to resell. One such example is school desks. School Specialty and national supplier of school desks, recently signed a contract with Minnesota and Colorado to manufacture over 40,000 school desks. Many of these desks will be sold in Iowa.

Captive workers: With barbed wire atop the fence on the wall in front of them, prisoners assemble wooden furniture in a Tamaulipas state prison in Ciudad Victoria, Mexico.

## Mexico's inmate factories find U.S. work, seek more

By JULIE WATSON  
ASSOCIATED PRESS

Ciudad Victoria, Mexico — Prison officials in northern Mexico say their inmates are manufacturing furniture bound for Texas — despite U.S. laws that ban the importation of goods made with prison labor.

The officials would like to contract with more American companies to produce all kinds of goods. They say inmate workshops — which do work for Mexican companies as well — are helping to stem the loss of business as foreign-owned assembly plants abandon the border zone in search of cheaper labor in Asia.

But prison labor is strongly criticized around the globe on the ground that it undercuts unions, steals jobs from law-abiding workers, and poses risks of human rights abuses. Many other countries besides the United States bar imports of prisoner-made

products.

The prison director for Tamaulipas state, Manuel del Riego, said Clint Hough of Austin, Texas, was the first foreign businessman to accept the state's offer of its inmates' services. Del Riego said Hough has been buying furniture made by prisoners for more than a year.

Inmates at the Ciudad Victoria prison said Hough ordered chairs for a Texas restaurant chain as well as dining room furniture.

Hough, 48, interviewed at the prison, would not confirm that he takes the furniture across the border. "That I would really rather not discuss because I'm afraid U.S. Customs would ruin it," he said.

Hough later denied ordering furniture from the prison at all, saying he merely teaches prisoners design and finishing techniques.

Del Riego said 150 foreign companies, including many in the United States, had expressed

interest in setting up production lines at the 11 prisons in Tamaulipas.

"Companies will save tons of money," he said.

On average, Mexican inmates earn the minimum wage of 45 pesos a day (\$4.50), half what free workers along the border make. Companies hiring prison labor also save on health insurance, retirement and other benefits.

The border states have plunged into recession with the exodus of the foreign-owned assembly-for-export plants, which had fueled an economic boom in the region since the government in the 1960s allowed mostly U.S.-owned companies to take advantage of Mexico's cheap labor.

"I guess people are going to have to commit a crime to get a job, because there are hardly any jobs left in Mexico," said Raul Lescas, a researcher at Mexico's Labor University in Mexico City.

